



OREGON CRANBERRY NETWORK
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August 22, 2005

Kenneth C. Clayton, Acting Administrator
Marketing Order Administration Branch, Fruit and Vegetable Programs
AMS, USDA, 1400 Independence Avenue, SW., STOP 0237,
Washington, DC 20250-0237

RE: Docket No. FV05-929-610 REVIEW, Federal Register: July 12, 2005 (Volume 70, Number 132)

Dear Administrator Clayton:

On behalf of the Oregon Cranberry Network and its members, I write to ask that the Cranberry Marketing Order be rescinded or that Oregon be exempted.

For the last eight years, the Oregon cranberry industry has worked in conjunction with the Oregon Department of Agriculture in promoting our product. Many hours and dollars have been spent examining ways to market an industry that was devastated by the drop in price, due to an over-supply and two marketing orders, back-to-back.

We have built and created our own specialty markets with customers who depend on our product. As you know, it is not an easy task and requires a partnership campaign. The Oregon cranberry industry is now seeing the benefits of our partnership with the Oregon Department of Agriculture and the Agri-Business Council of Oregon.

Many years ago there was only one main handler in Oregon, along with two minor players. There were approximately one hundred and fifty growers and at least 140 of them were contracted to it. Today there are over one hundred and seventy growers and the handler who was once the major processor is now the minority. Out of the more than one hundred and seventy growers, over one hundred of them are with the smaller local handlers and have found permanent homes for their fruit. It is these smaller Oregon handlers, along with their growers, who have invested their time and dollars to help promote Oregon fruit. With the help of the ODA and Agri-Business Council of Oregon, our contract base is now international.

Oregon has NO oversupply of fruit. Six of the seven handlers in Oregon cannot find enough Oregon fruit to fill their contract obligations. I have already been contacted by two handlers who will take all the fruit they can find and there are four others looking for the same.

The continued threat of a new marketing order leaves a bitter taste in the mouth of growers. Oregon is a state of small family farms, with the average size farm around 18 acres. The Oregon cranberry industry is NOT a threat to another oversupply. In 2004 our state produced 495,000 barrels of fruit on 2900 acres. This miniscule amount is a drop-in-the-bucket compared to the total amount produced nationwide which is 6,167,065 barrels (CMC website statistics for 2004). The foreign fruit brought into the U.S. under contract with a major U.S. handler is more than twice what Oregon produces.

The fact that 1,040,394 barrels of fruit (CMC website statistics for 2004) was acquired outside the U.S. under contract by a U.S. handler, who can then turn around and request U.S. growers to dispose of fruit, because they have an oversupply, is ludicrous.

In the 1950's, when there were only five states growing cranberries (and realistically only one main handler) and no international markets, a marketing order was a convenient way to keep supply and demand in check. But in today's international marketplace it is no longer a convenience...it is a detriment to the generation's of U.S. growers who see their farms slip away, while imports thrive.

Until, or unless there is an international marketing order that encompasses ALL cranberry fruit, no matter where the fruit is grown I must ask, for the sake of all cranberry growers, that the marketing order be rescinded or that Oregon be exempted from any future marketing order.

I thank you for your consideration of our opinion.

Sincerely,

Carol A Russell

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Oregon Cranberry Network